

## Iren, the Board of Directors approves the fiscal year results at 30 September 2022

- *Gross investments in excess of EUR 1 billion, up 1.8 times compared to 30 September 2021, allocated to renewable and waste treatment plant development and distribution network resilience, resulting in a 4% increase in EBITDA to EUR 759 million.*
- *Group net profit, at EUR 138 million, fell by -43%, also due to the impact of government measures.*
- *Excellent management of net working capital, despite a significant increase in turnover, the bill instalment facility granted to companies and households, and the substantial investment in gas storage to secure winter supplies.*
- *The consolidation of Sei Toscana and the new hires, resulting in 1,500 people joining the Group, bring the total number of Iren employees to over 10,500.*

### Main indicators

- **Gross Operating Margin (EBITDA) in the amount of EUR 759 million** (+4% compared to EUR 731 million as at 30/09/2021). The EUR 28 million increase in EBITDA is mainly driven by the 'capacity market' consideration for electricity generation activities, organic growth in regulated sectors (Networks and Environment), and investments and acquisitions made in photovoltaic renewables. Overall growth was partially reduced by the impact of the drought on the energy supply chain and higher operating costs related in particular to higher energy prices.
- **Group net profit attributable to shareholders of EUR 138 million** (-43% compared to EUR 241 million as at 30/09/2021). The 2022 result includes the full negative impact of the Solidarity Contribution estimated at EUR 31 million for the year and compares with the 2021 result, which was positively impacted by EUR 32 million of non-recurring tax income and EUR 9 million of other contingent assets.
- **Net financial debt at EUR 3,857 million** (+32.7% compared to EUR 2,906 million as at 31/12/2021). The investments made during the period and the increase in gas storage contributed to the growth in net debt, which remains under control thanks to cash generation and excellent management of commercial net working capital.
- **Gross investments amounting to EUR 1,073 million**, up 1.8x compared to 30/09/2021, of which EUR 557 million in technical investments, EUR 320 million in investments in M&A transactions and EUR 196 million regarding building energy requalification works.
- Iren's sustainable growth continues, with numerous **performance** indicators ahead of the Plan's forecasts: biomethane production more than doubled compared to last year, the number of inhabitants served by waste collection activities increased, energy efficiency and service quality increased sharply, with a -4% drop in water withdrawals per inhabitant per day.

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Reggio Emilia, 3 November 2022 - The Board of Directors of IREN S.p.A. today approved the consolidated financial statements as at 30 September 2022.

*"The results that have just been approved highlight a strengthening of the Iren group both at the level of the capacity of renewable energy production in particular photovoltaic and at the territorial level of Iren with the expansion of the basin of inhabitants served by the waste collection activity, which now stands at 3.8 million inhabitants, and a sharp increase in the energy efficiency of buildings favouring a simultaneous urban requalification," declares **Luca Dal Fabbro, President of Iren**. Moreover, the recent consolidation of SEI Toscana and the new hires, of which more than 50% concern young people under 30, allow Iren to welcome 1,500 new people who represent the basis of future development."*

*"In a year in which external phenomena such as the extreme volatility of the energy scenario and the severe drought occurred, the Group nevertheless achieved growth thanks to the plant development and mitigation actions undertaken," says **Gianni Vittorio Armani, Iren's CEO and General Manager**. Investments as at 30 September exceeded EUR 1 billion for the first time in Iren's history, showing how, even in difficult times, the Group is able to maintain a long-term outlook and achieve the Plan's targets with positive performance in terms of sustainability: +17% of material recovered in our plants, -4% of water withdrawals in the period, and reaching, to date, 100mmc of district heating volumes. Finally, in such a difficult context, it is worth highlighting how the Group has guaranteed relevant savings to its customers, thanks to an average commodity price 40% lower than the tariffs of the protected market and has ensured the district heating bonus for the next heating season as well."*

## **IREN GROUP: CONSOLIDATED RESULTS AT 30 September 2022**

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Consolidated **revenues** as at 30 September 2022 amounted to EUR 5,643.6 million, up +81.9% compared to EUR 3,102.0 million in the corresponding period of 2021. The main factors contributing to the increase include higher energy revenues, which were influenced by the rise in commodity prices (EUR over 2,170 million) and the effect of the drought on electricity production (approximately EUR - 73 million). Energy efficiency activities such as energy upgrades and building renovations, which are favoured by tax breaks, also contribute around EUR 190 million to the change in turnover. Changes in the scope of consolidation affect revenues by approximately EUR 100 million and refer to the consolidation of Puglia Holding (now Iren Green Generation) from February 2022 and SEI Toscana from 1 July 2022 onwards.

**Gross Operating Profit (EBITDA)** amounted to EUR 759.3 million, an increase (+3.9%) compared to EUR 730.8 million in the same period in 2021.

The margin for the period was positively impacted by the expansion of the perimeter of consolidation for the acquisition of the Puglia Holding photovoltaic plant (roughly EUR 44 million), the organic growth related to the tariff increases of the network services linked to the investments made to improve the infrastructures, the development of the activities related to the energy requalification works and the full operation, following the expansion of capacity, of the biodigesters in Cairo Montenotte and Santhià. The energy scenario characterised by a sharp increase in electricity and gas prices compared to the first nine months of 2021 had a negative impact on the margin. The integrated management of the energy supply chain did not make it possible, in a highly volatile context, to offset the positive effects (margins

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on electricity and heat production and consideration for the capacity market) and the negative effects (margins on electricity sales down sharply, significant decrease of the volumes of energy produced the hydroelectric sources as a result of the drought and fault on the steam turbine of the Turbigio thermoelectric plant).

Overall, the increase in margin with reference to the individual business units is broken down as follows: Waste Management (+19.8%), Energy (+52.7%), Networks (+0.8%) while the Market business unit declined (-92.8%), the latter trend being related to the increase in the Energy BU in the logic of integrated management of the energy supply chain.

**Operating profit (EBIT)** amounted to EUR 324.3 million, a decrease of -3.1% compared to EUR 334.8 million for the first 9 months of 2021. Amortisation and depreciation for the period rose by EUR 45 million, due to the start-up of new investments and expansion of the consolidation scope, and to higher allocations to the provision for impairment of receivables for EUR 7 million. There were also higher releases of provisions for risks of roughly EUR 15 million, mainly related to the settlement of disputes with suppliers.

**Group net profit attributable to shareholders** amounted to EUR 138 million, a decrease (-42.7%) from the result recorded at 30/09/2021. The 2022 result includes the full negative impact of the Solidarity Contribution estimated at EUR 31 million for the year and compares with the 2021 result, which was positively impacted by EUR 32 million of non-recurring tax income and EUR 9 million of other contingent assets. Excluding non-recurring effects on both periods, Group net income attributable to shareholders would have stood at EUR 168 million, therefore resulting in a decrease of -15.8%.

**Net financial debt** stood at EUR 3,857 million as of 30 September 2022, an increase (+32.7%) compared to the 31 December 2021 figure. In this regard, investments in the period and the increase in gas storage contributed to the growth in net debt, which remains under control thanks to the cash generation from operations and the excellent management of commercial net working capital.

**Gross capital expenditure** during the period amounted to EUR 1,073 million, up (+1.8x) from the EUR 590 million in the same period of 2021, of which EUR 557 million in technical investments, EUR 320 million in investments related to M&A transactions (mainly the acquisition of photovoltaic parks in certain locations in Puglia by Puglia Holding, the acquisition of the company Mara Solar, which holds the authorisations for the construction of photovoltaic plants in southern Italy as well as the acquisition, through a capital increase, of 51% of the companies Limes 1 and Limes 2 operating in photovoltaic production in Lazio, the acquisition of the sales company Alegas, the increase of the equity investment in SEI Toscana, the purchase of some gas distribution assets and the hydroelectric generation plants of Valle Dora Energia) and EUR 196 million related to energy efficiency projects.

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## IREN GROUP: MAIN RESULTS BY BUSINESS AREA

(millions of Euro)	30/09/2022	30/09/2021	Change %
<b>Revenue</b>	<b>5,644</b>	<b>3,102</b>	<b>81.9%</b>
Networks BU (energy and water infrastructures)	832	690	20.5%
Waste Management BU	784	667	17.5%
Energy BU (Generation, TLR, Energy Efficiency)	3,394	1,214	(*)
Market BU	4,110	1,747	(*)
Services and other	21	18	17.9%
Netting and adjustments	-3,497	-1,234	(*)
<b>Gross Operating Profit (EBITDA)</b>	<b>759</b>	<b>731</b>	<b>3.9%</b>
Networks BU (energy and water infrastructures)	292	290	0.8%
<i>Electrical infrastructure</i>	57	63	-9.5%
<i>Gas infrastructures</i>	60	69	-13.0%
<i>Water infrastructures</i>	175	158	10.9%
Waste Management BU	197	164	19.8%
Energy BU (Generation, TLR, Energy Efficiency)	260	170	52.7%
Market BU	7	104	-92.8%
<i>Electricity</i>	-74	16	(*)
<i>Gas and other services</i>	81	88	-7.9%
Services and Other	3	3	26.9%
<b>Operating Profit (EBIT)</b>	<b>324</b>	<b>335</b>	<b>-3.1%</b>
Networks BU (energy and water infrastructures)	142	146	-2.8%
Waste Management BU	99	81	21.9%
Energy BU (Generation, TLR, Energy Efficiency)	158	66	(*)
Market BU	-76	41	(*)
Services and Other	1	1	50.9%

(\*) Change of more than 100%

### NETWORKS (ENERGY AND WATER INFRASTRUCTURES)

**Revenues** from the segment amounted to EUR 831.9 million, an increase of +20.5% from EUR 690.4 million in the same period of 2021. The increase in revenue is attributable for about EUR 37 million to the effect generated by the recognition in 2021, both as revenue and expenses, of the obligation of energy efficiency certificates (TEE) related to previous years, and no longer repeatable. There were also increases in revenues related to the construction of assets under concession falling within the scope of IFRIC 12, and contingent assets related to the ruling of the Council of State on tariff awards from previous years.

The **Gross operating profit (EBITDA)** amounted to EUR 291.8 million, up +38.0% compared to EUR 289.6 million in the same period of 2021. The overall margin is generated by:

- An improvement in the margin of the **integrated water service**, mainly attributable to the implementation of the Council of State rulings on the recognition of tariff adjustments for the 2011-2013 periods and the increase in the tariff revenue constraint (VRG) as a result of the increase in invested capital (RAB), even though the remuneration of invested capital (WACC) was reduced as provided for by ARERA tariff measures. These increases made it possible to absorb the non-contribution to the margin of some minor concessions sold, higher operating

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costs, and the absence of extraordinary items related to insurance claims present in the previous year.

- a decrease in the profit margins of **electricity distribution** is attributable to the contraction of the revenue constraint characterised by a reduction in the remuneration of invested capital (WACC) provided for by the ARERA tariff measures, only partially offset by the positive effect of higher investments, and by penalties related to technical quality referring to previous years.
- a decrease in the **gas distribution** margin can be attributed to a contraction in the revenue constraint resulting from a reduction in the rate of return on capital employed (WACC) provided for at the beginning of the year by ARERA tariff measures, and higher operating costs, including mainly the higher cost of gas (energy scenario effect) used in the decompression stations, and the effect of some extraordinary items referable to previous years.

During the reference period, the Group distributed 2,787 GWh of **electricity**, 785 million cubic metres of **gas** and 126 million cubic metres of **water**.

As at 30 September 2022, **gross investments** in the sector amounted to EUR 222 million, up (+20.1%) compared to the previous year, and were allocated to the modernisation of the gas and electricity networks and the construction of the infrastructure envisaged by the Integrated Water Cycle Sector Plans, the digitalisation of activities and the development of electric mobility.

#### **WASTE MANAGEMENT**

In the Waste Management segment, **revenues** came to EUR 783.6 million, up +17.5%% from EUR 666.7 million in the same period of 2021. The increase is attributable for approximately EUR 50 million to the change in the scope of consolidation of SEI Toscana from 1 July 2022. Higher energy revenues were also recorded (EUR +27 million approx.) due to the increase in the price of electricity produced, higher revenues from the treatment and enhancement of recovered materials from separate waste collection, plus higher revenues from waste disposal activities.

The **Gross operating profit (EBITDA)** amounted to EUR 196.6 million, up +19.8% compared to EUR 164.1 million in the same period of 2021. The increase in the margin is due to the significant improvement in energy margins following the increase in the sale price of electricity and thermal energy, the collection and sale of recovered materials and the treatment and enhancement of organic waste mainly due to the entry into full operation of the biodigesters of the Organic Fraction of Municipal Solid Waste in Cairo Montenotte (SV) and Santhià (VC).

In the first nine months of 2022, the **waste managed** amounted to over 2,628 thousand tonnes.

As at 30 September 2022, **gross investments** carried out in the sector amounted to EUR 117.6 million, up +14.3% compared to EUR 102.9 million in the first nine months of 2021. Investments related to the purchase of collection vehicles and equipment and the construction of plants; in particular, the latter include the wood treatment and recycling plant in Vercelli and the FORSU plant in Reggio Emilia.

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## *ENERGY (GENERATION, DISTRICT HEATING AND ENERGY EFFICIENCY)*

**Revenues** from the Energy segment amounted to EUR 3,393.8 million, a significant increase compared to EUR 1,213.6 million in the same period of 2021. The increase in revenues is primarily due to the higher sales prices for electricity (around EUR 1,900 million). Revenues from heat production are also up, for over EUR 151 million, mainly as a result of higher sales prices, correlated to the increased costs of combustible gas, as well as revenues from activities connected with energy requalification and building restructuring favoured by recent tax breaks and other activities of energy services (up EUR +191 million). As of February 2022, the photovoltaic plants of Puglia Holding, recently renamed Iren Green Generation, became part of the scope of consolidation.

**Gross operating profit** (EBITDA) of the segment stood at EUR 260.0 million, an increase of +52.7% compared to EUR 170.3 million in the same period of 2021. The trend in the energy scenario was characterised by a sharp increase in electricity prices and in the price of gas used as a raw material in Generation activities. These dynamics have led to an increase in generation margins for renewable production and heat cogeneration. On the other hand, there was a deterioration in the margin of hydroelectric production, which, despite the sharp increase in sales prices, suffered a significant reduction in the quantities produced due to the low level of the reservoirs at the end of 2021 and the continuing lack of water availability during the course of 2022, also leading to a reduction in the number of green certificates earned. These effects are more than offset by the greater margin in the Photovoltaic business thanks to the inclusion in the scope of consolidation of Iren Green Generation's plants, which contribute approximately EUR 44 million to EBITDA for the period. The positive effects linked to the recognition of the Capacity Market that the Group was awarded through the competitive tenders managed by Terna should also be noted. By contrast, it should be noted that from the beginning of the year the recognition of energy efficiency certificates for the cogeneration plant in Torino Nord ceased, which had contributed approximately EUR 23 million to EBITDA in the first nine months of 2021. Energy Efficiency related activities show an improvement of up EUR+16 million compared to the corresponding period of 2021, due to the development of activities related to energy requalification works (Superbonus 110%).

During the period, **electricity** generated totalled 5,669.9 GWh, down -11.7% from 6,418.1 GWh in the same period of 2021. Electricity production from cogeneration sources was 3,715.9 GWh, down (-2.8%) compared to 3,824.2 GWh in the first nine months of 2021 due to the drought, which limited the cooling capacity of the plants, while thermoelectric production was 1,169.8 GWh, down (-25.6%) compared to 1,573.1 GWh in 2021, also due to a breakdown of a steam turbine at the Turbigio plant that is not yet fully operational. Production from renewable sources amounted to 784.2 GWh, down -23.2% from 1,020.8 GWh in the first nine months of 2021. The decrease can be attributed to hydroelectric production, which amounted to 607.7 GWh compared to 1,003.4 GWh (-39.4%) in the corresponding period of 2021 due to low water availability during the period. On the other hand, photovoltaic production increased, standing at 176.6 GWh (17.4 GWh in 2021), thanks to the production of Iren Green Generation's plants.

**Heat** generated amounted to 1,745 Gwh, down (-5.9%) compared to the same period of 2021. Overall, district heating volumes amounted to approximately 99.1 million cubic metres, up +1.7% compared to approximately 97.5 million cubic metres in the first nine months of 2021.

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**Gross investments** of EUR 105.1 million were made as at 30 September 2022, down -2.0% from EUR 107.2 million in the first nine months of 2021. The main investments in the period included the repowering of the Turbigio thermoelectric power plant and the development of district heating networks.

## **MARKET**

**Revenues** from the Market segment amounted to EUR 4,110.2 million, up +135.2% from EUR 1,747.3 million in the same period of 2021. The increase in revenues is primarily due to the sharp rise in the prices of both gas and electricity, and in a lesser degree is due to the higher quantities of electricity and gas sold.

The sector's **EBITDA** amounted to EUR 7.5 million, down -92.8% on the EUR 104.1 million of the same period of 2021, which was characterised by extraordinarily positive margins that cannot be replicated in subsequent periods. The sharp decline in margins is primarily due to electricity sales, which registered a negative gross operating profit of EUR -74.0 million, whilst gas sales, although down considerably, were less affected by the unfavourable energy scenario. The other services sector made a positive contribution to the margin, thanks to significant development of the services and accessory products marketed (e-mobility, boilers, energy system maintenance, etc.).

Directly marketed **electricity** in the period amounted to 6,541.3 GWh, up (+23.5%) compared to the same period of 2021. The increase in the free market concerned the wholesale segment with sales of 2,301.1 GWh and the retail and small business segment with sales of 2,382.7 GWh. On the other hand, sales were down in the Business segment (-20.8%) with sales of 1,676.5 GWh. Sales in the protected market amounted to 180.9 GWh, down by -29.5% compared to 256.7 GWh in September 2021.

In addition, 1,944 million cubic metres of **gas** were purchased, down 3.5% compared to the same period of 2021, due to the fall in gas used for internal Group consumption (-7.8%) and gas sold (-2%).

**Gross investments** of EUR 60.6 million were made as at 30 September 2022, up +38.6% from EUR 43.7 million in 2021.

## **BUSINESS OUTLOOK**

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In the final quarter of 2022, the significant growth in investments will be confirmed, which will allow the Group to seize various development opportunities as envisaged in the Business Plan. The latter rests its rationale on three strategic pillars that guide investment choices: ecological transition, territoriality and quality of service. The goals of the green transition are to progressively decarbonise all activities and strengthen leadership in the circular economy. With territoriality, Iren wants to extend its perimeter of activity in the reference territories and be the reference partner for local stakeholders. Finally, with service quality, Iren aims to improve the performance of network services and maximise customer satisfaction in all businesses.

The last few months of 2022 in the Networks sector will be characterised by a major investment plan, which will be positively reflected in the remunerated invested capital (RAB) and, consequently, in tariff revenues. Investments in the integrated water system will encourage increased purification capacity,

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reuse of resources and reduction of water losses through increased efficiency. In the electricity and gas distribution network, the goal will be to increase the power supported by the first and replace the non-compliant material in the second, keeping in common the continuous improvement of the quality of the service.

With regard to the Waste Management sector, investments will be aimed at building the waste treatment and disposal plants envisaged in the business plan and at increasing the quality of the service by extending door-to-door collection and consumption-based pricing. These investments, together with the complete coverage of the waste cycle (from collection to treatment and disposal), will make it possible to increase the volumes of recovered material.

Regarding the Energy and Market segments, Iren will continue to implement a series of actions aimed at mitigating the impact of volatility in electricity and gas prices thanks to a hedging policy oriented to stabilising margins in the entire energy supply chain. The development of the generation park will benefit from the commissioning of the new production line of the Turbigio thermoelectric plant, the consolidation of the acquired photovoltaic plants and the organic development of new renewable capacity, accompanied by the growth of our customer base.

Finally, the Smart Solutions segment, focused on the energy efficiency of buildings, will be able to seize the opportunities offered by government incentives related to building requalification, to the development of electric mobility and will be able to act as the main interlocutor for public administrations to ground complex urban requalification projects.

In relation to the international geopolitical crisis arising from the Russia-Ukraine conflict, it is difficult as well as uncertain to assess the effects and repercussions that could arise from the continuation of the international crisis. In such a scenario, there are three main risks to be borne in mind: the procurement of natural gas to replace the quantities previously purchased from Russia, the volatility of commodity prices and the simultaneous inflationary effect. Iren monitors the evolution of the situation on a daily basis, defining the possible risk scenarios for its activities and identifying, where possible, mitigation actions with particular reference to net financial debt.

In addition, in order to contain the impact resulting from the increase in commodity prices, whose upward trend took hold in the fourth quarter of 2021, the government has already approved measures aimed at controlling the imbalance between the production and sales prices of electricity and gas. On the so-called 'high bills' issue, further measures are being defined by the EU and the government, the impact of which cannot be estimated at present.

## CONFERENCE CALL

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The results for the fiscal year ended on 30 September 2022 will be explained today, 3 November, at 3:30 p.m. (Italian time) during a conference call with the financial community, which will also be webcast in listen-only mode on the website [www.gruppofiren.it](http://www.gruppofiren.it) (Investors section).

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## ALTERNATIVE PERFORMANCE MEASURES

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This press release uses some alternative performance measures (APM) that are not included in the international accounting principles adopted by the European Union (IFRS-EU) to allow for a better assessment of the performance of the IREN Group's operating and financial performance. In accordance with the recommendations of the Guidelines published in October 2015 by ESMA, the meaning, content and basis of calculation of these indicators are set out below:

- **Net invested capital (NIC):** determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets (liabilities) held for sale. This APM is used by the Group in the context of internal and external documents and is a useful measure for the purpose of measuring total net assets, both current and non-current, also through comparison between the reporting period and previous periods or financial years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.
- **Net financial debt:** calculated as the sum of non-current financial liabilities at net of non-current financial assets and current financial liabilities at net of current financial assets and cash and cash equivalents. This APM is used by the Group in the context of both internal and external documents and represents a useful tool to assess the Group's financial structure, including by comparing the reporting period with that of the previous periods or years.
- **Net Working Capital (NWC):** determined as the algebraic sum of current and non-current assets and liabilities from contracts with customer, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry receivables and other current assets, trade payables and sundry payables and other current liabilities. This APM is used by the Group in the context of both internal and external documents and represents a useful tool to assess the Group's operational efficiency, including by comparing the reporting period with those related to the previous periods or years.
- **Gross operating profit (EBITDA):** calculated as the sum of income before tax, income from equity-accounted investments, adjustments to the value of investments, financial income and expense, and amortisation, depreciation, provisions and write-downs. EBITDA is explicitly shown as a subtotal in the financial statements. This APM is used by the Group in the context of both internal and external documents and is a useful tool for assessing the Group's operating performance (both as a whole and for the individual Business Units), including by comparing the operating profit or loss for the reporting period with that for previous periods or years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.
- **Operating profit (EBIT):** calculated as the sum of income before tax, income from equity-accounted investments, adjustments to the value of investments and finance income and costs. Operating Profit is explicitly shown as a subtotal in the financial statements.

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- Free cash flow: determined as the sum of operating cash flow and cash flow from investing activities.
- Investments: represents the sum of investments in property, plant and equipment, intangible assets and financial assets (equity investments), presented gross of capital grants. This APM is used by the Group in the context of internal documents of the Group and external documents, and measures the financial resources absorbed in purchases of consumer durable goods in the period.

*As required by Article 154 bis, Section 2, of the Consolidated Finance Act, Anna Tanganelli, as Corporate Accounting Documents Officer, states that the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's accounting books and other accounting records. The financial report at 30 September 2022 will be filed according to the law at the Company's registered office (Via Nubi di Magellano, 30 - Reggio Emilia) at Borsa Italiana S.p.A. and shall be available to anyone who requests it and will also be available on the Company's website at [www.gruppoiren.it](http://www.gruppoiren.it). The financial statements of the IREN Group are provided below.*

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## INCOME STATEMENT

thousands of euro

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	First 9 months 2022	First 9 months 2021 Restated	Change %
<b>Revenue</b>			
Revenue from goods and services	5,520,161	3,015,256	83.1
Other income	123,391	86,709	42.3
<b>Total revenue</b>	<b>5,643,552</b>	<b>3,101,965</b>	<b>81.9</b>
<b>Operating expenses</b>			
Raw materials, consumables, supplies and goods	(3,235,727)	(970,558)	(*)
Services and use of third-party assets	(1,227,250)	(1,018,553)	20.5
Other operating expenses	(62,705)	(52,036)	20.5
Internal work capitalised	33,591	31,189	7.7
Personnel expense	(392,130)	(361,228)	8.6
<b>Total operating expenses</b>	<b>(4,884,221)</b>	<b>(2,371,186)</b>	<b>(*)</b>
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>759,331</b>	<b>730,779</b>	<b>3.9</b>
<b>Depreciation, amortisation, provisions and impairment losses</b>			
Depreciation and amortisation	(390,207)	(345,156)	13.1
Impairment losses on loans and receivables	(52,080)	(44,627)	16.7
Other provisions and impairment losses	7,303	(6,191)	(*)
<b>Total depreciation, amortisation, provisions and impairment losses</b>	<b>(434,984)</b>	<b>(395,974)</b>	<b>9.9</b>
<b>OPERATING PROFIT (EBIT)</b>	<b>324,347</b>	<b>334,805</b>	<b>(3.1)</b>
<b>Financial management</b>			
Financial income	11,248	32,157	(65.0)
Financial expense	(61,529)	(59,330)	3.7
<b>Net financial income</b>	<b>(50,281)</b>	<b>(27,173)</b>	<b>85.0</b>
Gains on equity-accounted investments	(13)	1,305	(*)
Share of profit of equity-accounted investees, net of tax effects	5,867	4,701	24.8
<b>Profit before tax</b>	<b>279,920</b>	<b>313,638</b>	<b>(10.8)</b>
Income tax benefit	(111,988)	(51,472)	(*)
<b>Profit from continuing operations</b>	<b>167,932</b>	<b>262,166</b>	<b>(35.9)</b>
Profit (loss) from discontinued operations	-	-	-
<b>Profit for the year</b>	<b>167,932</b>	<b>262,166</b>	<b>(35.9)</b>
attributable to:			
- Profit (loss) for the period attributable to shareholders	137,762	240,554	(42.7)
- Profit (loss) for the period attributable to minorities	30,170	21,612	39.6

(\*) Change of more than 100%

The comparative figures of the first nine months of 2021 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of the companies in the Waste Management Division of Unieco, Futura and I.Blu, which took place at the end of 2021, and Sidiren, which took place at the end of the first half 2022.

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## RECLASSIFIED STATEMENT OF FINANCIAL POSITION

	thousands of euro		
	30.09.2022	31.12.2021 Restated	Change %
Non-current assets	7,434,303	7,026,225	5.8
Other non-current assets (liabilities)	(439,084)	(458,642)	(4.3)
Net Working Capital	228,640	(222,501)	(*)
Deferred tax assets (liabilities)	276,877	238,847	15.9
Provisions for risks and employee benefits	(689,037)	(728,898)	(5.5)
Assets (Liabilities) held for sale	1,144	1,144	-
<b>Net invested capital</b>	<b>6,812,843</b>	<b>5,856,175</b>	<b>16.3</b>
Equity	2,955,792	2,950,354	0.2
<i>Non-current financial assets</i>	<i>(173,833)</i>	<i>(131,766)</i>	<i>31.9</i>
<i>Non-current financial debt</i>	<i>4,108,969</i>	<i>3,549,612</i>	<i>15.8</i>
Non-current net financial debt	3,935,136	3,417,846	15.1
<i>Current financial assets</i>	<i>(779,790)</i>	<i>(979,612)</i>	<i>(20.4)</i>
<i>Current financial debt</i>	<i>701,705</i>	<i>467,587</i>	<i>50.1</i>
Current net financial debt	(78,085)	(512,025)	(84.7)
Net financial debt	3,857,051	2,905,821	32.7
<b>Own funds and net financial debt</b>	<b>6,812,843</b>	<b>5,856,175</b>	<b>16.3</b>

(\*) Change of more than 100%

*The comparative figures at 31 December 2021 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Sidren, which took place at the end of the first half of 2022.*

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## STATEMENT OF CASH FLOWS

thousands of euro

	First 9 months 2022	First 9 months 2021 Restated	Change %
<b>Opening Net Financial debt</b>	<b>(2,905,821)</b>	<b>(2,948,241)</b>	<b>(1.4)</b>
Profit for the year	167,932	262,166	(35.9)
Non-monetary adjustments	736,486	565,487	30.2
Payment of employee benefits	(7,699)	(7,238)	6.4
Utilisations of provisions for risks and other charges	(29,674)	(15,620)	90.0
Change in other non-current assets and liabilities	(6,976)	(35,005)	(80.1)
Taxes paid	(128,708)	(42,831)	(*)
ETS Purchase	(36,536)	(65,429)	(44.2)
Cash flows for transactions on commodities derivatives markets	10,533	63,426	(83.4)
Other changes in equity	(96)	(1,703)	(94.4)
Cash flows from changes in NWC	(497,286)	(71,604)	(*)
<b>Operating cash flow</b>	<b>207,976</b>	<b>651,649</b>	<b>(68.1)</b>
Investments in property, plant and equipment and intangible assets	(557,097)	(466,026)	19.5
Investments in financial assets	(39,255)	(1,832)	(*)
Proceeds from the sale of investments and changes in assets held for sale	3,857	8,232	(53.1)
Changes in consolidation scope	(280,466)	(55,982)	(*)
Dividends received	1,969	3,261	(39.6)
<b>Total cash flows from investing activities</b>	<b>(870,992)</b>	<b>(512,347)</b>	<b>70.0</b>
<b>Free cash flow</b>	<b>(663,016)</b>	<b>139,302</b>	<b>(*)</b>
Cash flows from own capital	(164,710)	(153,374)	7.4
Other changes	(123,504)	102,935	(*)
<b>Change in net financial debt</b>	<b>(951,230)</b>	<b>88,863</b>	<b>(*)</b>
<b>Closing Net financial debt</b>	<b>(3,857,051)</b>	<b>(2,859,378)</b>	<b>34.9</b>

(\*) Change of more than 100%

The comparative figures of the first nine months of 2021 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of the companies in the Waste Management Division of Unieco, Futura and I.Blu, which took place at the end of 2021, and Sidren, which took place at the end of the first half of 2022.

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